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TO RUEHC/SECSTATE WASHDC PRIORITY 5891
INFO RUEHBJ/AMEMBASSY BEIJING 0581
RUEHRL/AMEMBASSY BERLIN 0759
RUEHBU/AMEMBASSY BUENOS AIRES 0071
RUEHBY/AMEMBASSY CANBERRA 0866
RUEHDL/AMEMBASSY DUBLIN 0089
RUEHHE/AMEMBASSY HELSINKI 1174
RUEHLO/AMEMBASSY LONDON 0508
RUEHMD/AMEMBASSY MADRID 3293
RUEHME/AMEMBASSY MEXICO 0198
RUEHMO/AMEMBASSY MOSCOW 0619
RUEHNE/AMEMBASSY NEW DELHI 0130
RUEHOT/AMEMBASSY OTTAWA 2091
RUEHFR/AMEMBASSY PARIS 0753
RUEHSA/AMEMBASSY PRETORIA 0121
RUEHKO/AMEMBASSY TOKYO 0685
RUEHUNV/USMISSION UNVIE VIENNA 0086

UNCLAS BERN 000243

SENSITIVE
SIPDIS

DEPT FOR IO/T (J.DETEMPLE), IO/MPR (L.SPRATT), AND EUR/CE
(Y.SAINT-ANDRE); USUNVIE FOR M.SCHELAND

E.O. 12958: N/A

TAGS: [AORC](#) [ENRG](#) [IAEA](#) [KNNP](#) [PREL](#) [UN](#) [SZ](#)

SUBJECT: SWITZERLAND NOT SUPPORTIVE OF IAEA BUDGET INCREASE

REF: STATE 57105

¶1. (SBU) Poloff delivered the reftel message on June 4 to Jean-Daniel Praz, Deputy Director of the Arms Control and Disarmament Section of the Federal Department of Foreign Affairs (FDFA), and the FDFA's point-of-contact for IAEA issues. Praz said that the GoS has a general policy of advocating "zero growth" in the budgets of international organizations. He indicated that exceptions to this general policy could possibly be made in compelling circumstances. However, at the same time, he argued that the GoS believes that there are areas in which the IAEA should be able to incur savings, particularly against the backdrop of the global financial crisis and the difficult fiscal challenges that governments now face. In this context, Praz commented that it is difficult to understand why countries such as Switzerland are subject to frequent and costly IAEA safeguards activities, given Switzerland's established strong track record of compliance.

¶2. (SBU) Praz acknowledged that Switzerland appreciates the importance of supporting the technical capacities of organizations like the IAEA, including for the benefit of nuclear nonproliferation. However, he said that the GoS is more open to contributing to special, off-budget investment funds to support such capabilities (e.g., the IAEA's Safeguards Analytical Laboratory). Praz further observed that nuclear energy is politically unpopular in Switzerland. This factor makes it more difficult to obtain additional Swiss funding for the IAEA. In conclusion, Praz provided poloff a copy of a June 4 letter from the UK's IAEA Governor to IAEA Board Vice Chairman Feruta on behalf of Canada, France, Germany, Ireland, Italy, Mexico, Spain, Switzerland, and the UK. The letter calls for the IAEA to provide a revised budget proposal taking the 2009 operational budget as the baseline, and "working within a zero growth scenario."
CARTER